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FISCAL IMPACT STATEMENT

LS 6679

BILL NUMBER: SB 509

NOTE PREPARED: Dec 23, 2010

BILL AMENDED:

SUBJECT: Tax Increment Financing District Projects.

FIRST AUTHOR: Sen. Eckerty

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill repeals a provision authorizing a redevelopment commission to finance a project or improvement that is not located in the redevelopment district, a redevelopment project area, an economic development area, or (in Marion County) a military base reuse area.

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: Under current law, a redevelopment commission may finance projects that are not located in the redevelopment project area or economic development area as long as the project directly serves or benefits the redevelopment project area or economic development area (TIF areas).

This bill would repeal that authority. Under the bill, redevelopment commissions would only be able to finance projects that are located in the TIF area. Overall expenses could be reduced if the commissions are not permitted to finance projects outside of the TIF areas. In some cases, development inside the TIF areas could be affected by the inability to fund outside projects that would benefit the TIF area.

Background: For taxes payable in 2010, there were 541 TIF areas with total net TIF proceeds of \$460.6 M.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Redevelopment commissions.

Information Sources:

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